

Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of applications as long as the structure is not used for dwelling purposes and the structure is preserved as a one-room schoolhouse. The taxpayer shall notify the assessing authority when the structure ceases to be eligible. The exemption in this subsection applies even though the one-room schoolhouse is no longer used for instructional purposes.

Sec. 18. Section 25B.7 does not apply to the exemption granted pursuant to section 17 of this Act.

Sec. 19. The legislative council is requested to establish an interim study committee to review the benefits of allowing state tax credits to be transferable. In reviewing the transferability of state tax credits, the study committee shall analyze the benefits to the transferor, the transferee, and to the state, the administrative costs involved, the conditions under which transferability should be allowed, and the restrictions that should be placed on transferability, if any. The study committee's report along with its recommendations shall be filed with the legislative council by January 1, 2001.

Sec. 20. **APPLICABILITY PROVISION.** Chapter 404A, enacted in this Act, applies to qualified rehabilitation costs incurred on or after July 1, 2000.

Sec. 21. **APPLICABILITY DATE.** Sections 1, 2, 9, 11, 12, and 13, of this Act apply retroactively to January 1, 2000, for tax years beginning on or after that date. Section 8 of this Act applies to tax years beginning on or after January 1, 2001.

Approved May 16, 2000

CHAPTER 1195

SALES AND USE TAXES — INFORMATION SERVICES — TRANSACTIONS DELIVERED ELECTROMAGNETICALLY, DIGITALLY, OR VIA CABLE OR FIBER OPTICS

H.F. 2562

AN ACT relating to the treatment for sales and use tax purposes of sales where the substance of the transactions is delivered by electromagnetic waves, digitally, or by way of cable or fiber optics, the exemption from the sales and use taxes of the furnishing, sale, or rental of information services, providing of refunds, requesting a task force be established, and including an effective and retroactive applicability date provision.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 421.17, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 22B. Enter into agreements or compacts with remote sellers, retailers, or third-party providers for the voluntary collection of Iowa sales or use taxes attributable to sales into Iowa and to enter into multistate agreements or compacts that provide for the voluntary collection of sales and use taxes. The agreements or compacts shall generally conform to the provisions of Iowa sales and use tax statutes. All fees for services, reimbursements, remuneration, incentives, and costs incurred by the department associated with these agreements or compacts may be paid or reimbursed from the additional revenue gen-

erated. An amount is appropriated from amounts generated to pay or reimburse all costs associated with this subsection. Persons entering into an agreement or compact with the department pursuant to this subsection are subject to the requirements and penalties of the confidentiality laws of this state regarding tax information. Notwithstanding any other provisions of law, the contract, agreement, or compact shall provide for the registration, collection, report, and verification of amounts subject to this subsection.

Sec. 2. Section 422.43, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 15. For purposes of this division, a sale of tangible personal property does not occur if the substance of the transaction is delivered to the purchaser digitally, electronically, or utilizing cable, or by radio waves, microwaves, satellites, or fiber optics.

This subsection is repealed December 31, 2002.

Sec. 3. Section 422.45, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 57. The gross receipts from the services rendered, furnished, or performed of¹ the sale or rental of information services. "Information services" means every business activity, process, or function by which a seller or its agent accumulates, prepares, organizes, or conveys data, facts, knowledge, procedures, and like services to a buyer or its agent of such information through any tangible or intangible medium. Information accumulated, prepared, or organized for a buyer or its agent is an information service even though it may incorporate preexisting components of data or other information. Information services include, but are not limited to, database files, mailing lists, subscription files, market research, credit reports, surveys, real estate listings, bond rating reports, abstracts of title, bad check lists, broadcasting rating services, wire services, and scouting reports, or other similar items.

Sec. 4. Section 423.1, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "Tangible personal property" does not include the substance of a transaction that is delivered to the purchaser digitally, electronically, or utilizing cable, or by radio waves, microwaves, satellites, or fiber optics.

This subsection is repealed December 31, 2002.

Sec. 5.

1. The legislative council is requested to establish an e-commerce task force to study the issues e-commerce has generated under the state sales and use taxes, including the status as tangible or intangible property of the substance of transactions that are delivered digitally, electromagnetically, or through or by means of cable, satellites, or fiber optics, and vendor discounts.

2. The members of the task force should be selected by the legislative council from names submitted to the legislative council by July 1, 2000. The membership shall consist of at least the following:

- a. Two members from the department of revenue and finance.
- b. One member representing business taxpayers.
- c. One member representing the retailer community as a whole.
- d. One member who is employed by a large state or national retailer.
- e. One member who is employed by a small main street retailer.
- f. One member familiar with the e-commerce industry.
- g. One member who is an economist familiar with e-commerce issues.
- h. One member who is a representative of local governments.
- i. One member representing the taxpayers as a whole.

¹ According to enrolled Act

j. Four members who are members of the general assembly, two who are senators and two who are representatives appointed by the legislative council with a senator and representative representing the majority party and a senator and representative representing the minority party.

Alternative members may be appointed for the nonlegislative members.

3. The task force shall provide the general assembly with a preliminary report by January 1, 2001. The final report with the task force's findings and recommendations is due by January 1, 2002.

Sec. 6. REFUNDS. Refunds of taxes, interest, or penalties which arise from claims resulting from the enactment of section 422.45, subsection 57, in this Act, for sales, rentals, or services occurring between March 15, 1995, and the effective date of this Act, shall be limited to twenty-five thousand dollars in the aggregate and shall not be allowed unless refund claims are filed prior to October 1, 2000, notwithstanding any other provision of law. If the amount of claims totals more than twenty-five thousand dollars in the aggregate, the department of revenue and finance shall prorate the twenty-five thousand dollars among all claimants in relation to the amounts of the claimants' valid claims.

Sec. 7. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISION. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to March 15, 1995.

Approved May 16, 2000

CHAPTER 1196

ACCELERATED CAREER EDUCATION AND JOB TRAINING

S.F. 2439

AN ACT relating to the accelerated career education program, providing a tax credit from withholding, creating an accelerated career education grant program and fund, relating to the transfer of job training withholding to the workforce development fund account, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.342A, Code Supplement 1999, is amended to read as follows:¹
15.342A WORKFORCE DEVELOPMENT FUND ACCOUNT.

A workforce development fund account is established in the office of the treasurer of state under the control of the department. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~ten~~ nine million dollars per year. The account shall also receive funds pursuant to section 15.251 with no dollar limitation.

Sec. 2. Section 260G.2, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "Program job credit" means the credit as provided in section 260G.4A.

Sec. 3. Section 260G.3, subsection 2, Code Supplement 1999, is amended to read as follows:

2. An agreement may include reasonable and necessary provisions to implement the accelerated career education program. If an agreement is entered into, the community

¹ See chapter 1230, §35 herein